REMARKS

The remarks below are intended to assist in the understanding of the present invention, and to respond to, and overcome the Examiner's rejections in the Office Action mailed on January 27, 2004.

Applicants appreciate that the previous responses filed in the present application may not have been persuasive to the previous Examiner of record. To this end, the applicant wishes to thank the present Examiner for graciously providing the opportunity for applicants to contact the Examiner to discuss the same, and agreeing to carefully consider all of the issues and arguments presented therein.

In this regard and in addition to soliciting the examiner to review applicants remarks filed on November 24, 2003 and in response to the Office Action mailed on January 27, 2004, applicants submit the following:

Claim Rejections under 35 U.S.C. §103

The Examiner has rejected claims 1-45 under 35 U.S.C. 103(a) as allegedly being unpatentable over Heinonen (U.S. Pat. No. 6,418,326) in view of Hannula (U.S. Pat. No. 6,366,893). This rejection is respectfully traversed.

First, Applicant maintains that it is improper to combine Heinonen with Hannula, given that there is no suggestion in either reference that would lead one skilled in the art to combine the two teachings. Moreover, as will be detailed hereafter, even if it were proper to combine these two references, each patent, whether singly or in combination, teaches away from the present invention.

Heinonen teaches a system which the payer communicates directly with the payee and not with a computer of a bank or thereto related server. Moreover, the payment mode itself is only taught for relatively short distances. These aspects are directly opposite the present invention, which is directed to an indirect payment process where the transaction is transmitted by the payer from a remote server to the payee, so that both fraud and protocol difficulties may be averted.

Moreover, Heinonen requires that both the payer's and the payee's mobile units need to be equipped with specific data transfer means that operates in a different manner from standard telephone operation, thereby increasing the cost of the mobile terminal, and limiting the ability to make such transactions to only mobile units that already have such specific data transfer means.

Additionally, Heinonen teaches an inherently **in**secure system, unlike the present invention, which provides enhanced security. Heinonen's system payment is limited to those systems where payer's and payee's mobile units contain Infra Red (IR) transmitter/receiver and compatible protocols. Short distance data transmission between the payer's mobile station and the payee's station such as this, poses additional security problems (it is well known, as for example, wireless communication between PCs, between PCs and computer peripherals such as a computer mouse, a scanner, a printer, etc., that such short distance data transmission may be intercepted-(despite being "encrypted")-by unauthorized third parties). Also, Heinonen is directed to a system where the payee's station receives payment data only from the payer's mobile station. This poses yet additional security problems inasmuch the payer's mobile station could be manipulated so as to transmit false payment data to the payee's station.

Lastly, Heinonen's system is directed to the loading of payment authorization and credit/debit balance data on the payer's mobile station necessarily in one call. This prolongs the connection time and data volume needed for a transaction to be performed, thereby increasing the cost of the communication, and the risk of communications breaking down because of the length of the communication and the subsequent need to restart the operation.

In summary, Heinonen fails to disclose or suggest the aspects of the present system that would render the reference applicable in rejection of the present claims. Accordingly, withdrawal of the rejection as it may be based on Heinonen, is believed to be in order and is requested.

With respect to the Hannula reference, it is respectfully submitted that Hannula fails to cure the deficiencies of the primary reference Heinonen. Hannula allegedly discloses methods, apparatus and systems for performing electronic payment transactions between a terminal equipment, *i.e.*, a mobile station in a telecommunications network and another transacting party,

i.e. a server of a digital money service as for example a merchant, through a special payment service gateway.

However, it is maintained that Hannula requires that, for any communication with the payer's mobile station and with the payee's station, the protocol of the payment application must be "translated" by the payment service gateway from a payer's specific protocol into a generic protocol, and from the generic protocol into a payee's specific protocol. However Hannula is silent in respect of any database that contains information on the type of mobile telephone station that corresponds to the telephone number of the payee. Thus, the payment request call to the payer is routed only to the payer's telephone number, but not through the telecommunications service that is most suitable to establish the fastest and most efficient communication with the payer's mobile station.

When utilizing the Hannula system and equipment, the payee can only start the transaction by providing data on the transaction and on the payer's phone number (*i.e.* the phone number of the party that has not started the communication). As such, Hannula's system does not know which is the most efficient telecommunications service to use for the communication. Moreover, even after having received a response to, for example, a payment request from the Hannula system, the system will only distinguish the specific payment protocol supported in the payer's mobile station, but <u>not</u> the type of the user's mobile station and therefore, will not determine the most efficient system of communication that said mobile station is capable of using.

Most cellular phones are now capable of sending and receiving short messages, but others are further capable of communicating by WAP and soon, UMTS technology. Despite this versatility, Hannula's system will <u>always</u> start communicating through one set digital system (for example SMS). The mobile station under the Hannula teaching will necessarily respond using SMS, even if it has additional capacities which would be the more efficient ways to communicate (such as WAP or UMTS) capacity thereby limiting the efficiency of communication between the gateway and mobile station at all times.

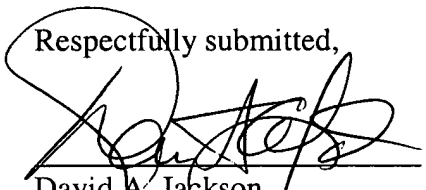
As such, none of the two references relied on by the previous examiner discloses the combination of features defined in the characterizing portion of independent claim 1, or dependent claims 2-45.

Applicants submit that there simply is the suggestion to combine Heinonen with Hannula. Moreover, even if there were such a suggestion, combining the teachings of the two cited references would not lead the skilled person towards the present invention. In fact, combining the systems of Heinonen and Hannula would result in a system that, at the most, would teach away from the present invention.

Hence, in view of all of the above, applicants consider that the invention as now defined in the independent claims, as well as the features recited in dependent claims 2-45 which include all limitations of independent claim 1, define a patentable invention.

Favorable consideration of the instant submissions and allowance of the subject application is thus earnestly solicited. If discussion with the undersigned will be of assistance in resolving any remaining issues, the Examiner is invited to telephone the undersigned at (201) 487-5800, to effect a resolution.

Respectfully submitted,



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